The overall growth in the economy is determined by a host of supply side and demand factors which among other include efficiency of use of investible resources, sectoral growth profile of GDP.

(b) To promote domestic savings rate in the economy it is imperative to improve the parameters which have a bearing on savings behaviour. These include level of fiscal deficit, tax policies, monetary policy, inflation, and efficiency of the banking system and the capital market and confidence in the economy. The various economic reform measures undertaken by the Government are expected to have a favourable impact on the aggregate level of domestic savings.

Operational restrictions on SBI in USA

232. SHRI NILOTPAL BASU: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the news-item captioned "Fed Clamps down on SBI's US Operations" appearing in Business Standard dated 31st October, 2001;

(b) if so, the response of Government thereto;

(c) whether it is a fact that the SBI is not contemplating any legal remedy in the US Courts as reported;

(d) if so, the reasons therefor and the details thereof; and

(e) whether all US Banking entities have shown similar courtesies to Indian regulators when they had been indicated in the Harshad Mehta Scam?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Government have seen the news-item referred to in part (a) of the Question. Government is in consultation with State Bank of India (SBI) in this regard. The matter is being taken up with the US authorities through diplomatic channels.

(c) and (d) SBI has reported that based on the legal opinion obtained by it, it is not contemplating any legal remedy in the US Courts.

(e) Reserve Bank of India (RBI) has reported that in the aftermath of the securities irregularities of 1992, it had imposed penalty on the foreign banks, including American Banks involved in the irregularity transactions. RBI has

further reported that nine foreign banks have paid a penalty of Rs. 128.20 crores. Other action including withdrawal of exemption granted from maintaining incremental Cash Reserve Ratio (CRR) and not allowing repatriation of profits etc. were also taken by RBI against foreign banks operating in the country.

Amendment to Benami Transaction (Prohibition) Act, 1988

233. SHRI C. P. THIRUNAVUKKARASU: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to enact amendment in the "Benami Transaction (Prohibition) Act, 1988" to give more power;

(b) if so, the details thereof;

(c) whether it is a fact that since passing of the Act, rules have not been notified; and

(d) if so, the reasons for not notifying the rules?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) The Government is considering in consultation with the Ministry of Law changes in the Benami Transaction (Prohibition) Act, 1988 to make it implementable. No decision has yet been taken on the nature of amendments in law in this regard.

(c) and (d) Yes Sir. These rules could not be notified as the Benami Transaction (Prohibition) Act, 1988 since its inception, ran into implementation difficulties. The Ministry of Law pointed out serious legal infirmities in the enactment causing difficulties in the framing of the Rules.

Setting up of an Investigation Bureau for economic crime

234. SHRI C. P. THIRUNAVUKKARASU: Will the Minister of FINANCE be pleased to state:

(a) whether Expert Committee has suggested setting up of a separate Investigation Bureau and a Special Court to investigate and try bank and financial frauds;

(b) if so, the reaction of the Government thereto;

(c) what are the other suggestions made by the Committee to deal with financial irregularities; and